

The Jacobson Group Compass

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The Jacobson Group is the nation's leading provider of insurance talent. For 40 years, we have been connecting insurance organizations with professionals from the board room to the back room on both a permanent and temporary basis. We offer a variety of solutions including executive search, professional recruiting, RPO, temporary staffing, subject matter experts, and onsite and work-at-home operations support. Regardless of the need or situation, Jacobson is the insurance talent solution.



PULSE OF THE INDUSTRY'S LABOR MARKET

- The national unemployment rate dipped to 8.5 percent in December, its lowest level since February 2009.
- The unemployment rate for insurance carriers and related activities is 4.9 percent, which is down significantly from 6 percent in November.
- On a year-to-year basis, industry employment – still standing at 2.2 million jobs – is up just 0.39 percent since December 2010.
- Reinsurance employment numbers remained even from November, while other areas saw modest growth: 0.2 percent (claims adjusting), 0.3 percent (life), and 0.4 percent (agents and brokers). Title decreased 4.1 percent followed by property and casualty, down 2 percent; TPAs, down 1.1 percent; and health, down 0.8 percent.
- Weekly wages for reinsurance saw another sharp increase (18.9 percent) for the month of December. Other sectors saw gains of 10.07 percent (claims adjusting), 5.6 percent (TPAs), 5.1 percent (property and casualty), 4.6 percent (health), 3 percent (agents and brokers) and 0.8 percent (health). Title insurance saw a dramatic decline of 15.7 percent in weekly wages for the month. ▲

**Derived from the data released by the U.S. Bureau of Labor Statistics*



WHAT'S IN STORE FOR THE INSURANCE INDUSTRY'S LABOR MARKET?

Our Semi-Annual Insurance Labor Outlook Study provides valuable information on market trends and future staffing expectations.

Want to provide your input? [Click here](#) to participate. (Survey ends January 25.)

Want the survey results? [Click here](#) to register for the free webinar on February 22.



INDUSTRY EXECUTIVES ON THE MOVE

Congratulations and best of luck to the following executives who recently took on new challenges within the industry:

- **Cecelia M. Abraham**
Senior Vice President and Chief Underwriting Officer
EMPLOYERS
- **Kenneth Brandt**
Executive Vice President, President of North America
Transatlantic Reinsurance Company
- **Jeff Dailey**
President and Chief Operating Officer
Farmers Group, Inc.
- **Matthew Easley**
Executive Vice President and Chief Actuary
Liberty Life Insurance Company
- **David D. Guilmette**
President National, Pharmacy and Product
Cigna
- **Gregory S. Hendrick**
Executive Vice President and Chief Executive of Insurance Operations
XL Group plc
- **Christopher M. Hilger**
President
Securian Financial Group, Inc.
- **Norm Hudson**
Chief Operating Officer
Freeway Insurance
- **John A. Kuhn**
Chief Underwriting Officer
AXIS Insurance
- **Scott Law**
Chief Medicare Officer
Health Net, Inc.
- **Matthew G. Manders**
President Regional and Operations
Cigna
- **Mike Mathews**
President and Chief Operating Officer
Atlas General Insurance Services
- **David McKay**
President and Chief Executive Officer
United States Aviation Underwriters
- **Paul McKeon**
Senior Vice President and Chief Underwriting Officer for North America
Transatlantic Reinsurance Company
- **Douglas M. Nelson**
President
Acadia Insurance Company
- **Joseph L. Pray**
President and Chief Executive Officer
Trustmark Mutual Holding Co.
- **Carsten Quitter**
Chief Investment Officer
Allianz Life Insurance Company of North America
- **Ken Riegler**
President of North America Casualty Group
XL Group plc
- **Michael C. Sapnar**
President and Chief Executive Officer
Transatlantic Holdings, Inc.
- **Bethany R. Smith**
Senior Vice President of Finance and Chief Financial Officer
Capital District Physicians' Health Plan Inc.
- **Julian Spence**
Executive Vice President and Chief Risk Officer
Transatlantic Reinsurance Company
- **John Van Decker**
Executive Vice President and Head of North American Professional Lines
AXIS Insurance
- **Philip Warth**
Chairman and Chief Executive Officer
Mutual Insurers Holding Company
- **Robert White**
President and Chief Executive Officer
First Nonprofit Insurance Company
- **Walter White**
President and Chief Executive Officer
Allianz Life Insurance Company of North America
- **Elizabeth A.W. Williams**
Senior Vice President and Chief Communications Officer
Independence Blue Cross

SURVIVOR VS. SURVIVAL MODE: A FORECAST FOR 2012

by Margaret Resce Milkint, Managing Partner, The Jacobson Group

Accelerated hiring, growth initiatives, expansion, succession planning and momentum—are we still in early 2007 or is this the outlook for 2012? It is 2012 and we are off to a strong start! The insurance labor market has certainly had its share of ups and downs since the downturn in 2008. The unemployment rate wavered month-to-month and hiring slowed drastically. Fortunately, the insurance industry is well on its way to recovery and there is positive energy in the market. In fact, the Bureau of Labor Statistics (BLS) reported a gain of 3,300 jobs for the industry in December. That is a 3.3 percent increase over November. According to The Semi-Annual Insurance Labor Outlook Study, conducted by The Jacobson Group and Ward Group, the insurance industry's likelihood of hiring went up 14 percent from the beginning of 2011 to mid-year.

In late 2008, the tell-tale effects of a hard-hit economy became apparent within our industry's labor market. Companies were taking on two very distinct behaviors—there were those who adopted the bunker mentality of “close your eyes and hold on until the worst is over” or those who faced the future head on with a bit of defiance. The *Survivors* took an opportunistic approach, with the vision and heart to see growth as a means to recovery. Rather than falling into *Survival Mode*, the companies of the future acted as Survivors; and there is a difference!

Survivors are those that use innovation to renew and revive areas where business is hurting or to expand in new areas to make up for loss. Those that default into Survival Mode, or bunker mentality, neglect to nurture the growth of the organization, effectively putting everything on hold. Survivors are opportunistic realists; they are not afraid to take a calculated risk to achieve a market edge. It is time to look ahead and to build back up.

As a result of recent labor market changes, shifting attitudes and Survivors' innovations, the landscape in 2012 feels energized and forward looking. Recruiting, hiring, retention and leadership development strategies are all getting a breath of fresh air. Exciting changes are in the forecast—Survivors take note!

The hot topic in 2012 is the insurance industry's impending talent shortage. As companies begin to open up hiring budgets, many are finding that the



skill set they desire is hard to come by. Boomer retirement, cuts made to training budgets during the recession and prior layoffs have resulted in a skills gap. Sought-after talent will be snatched up quickly. Survivors will remain in the recruiting game by staying on top of upcoming recruiting trends.

RECRUITING GETS CREATIVE

When it is time to hire, organizations have to get creative with the outlets they use to tap into fresh talent. Building your talent pipeline means attracting candidates that will grow with the company. Sometimes inherent skills trump experience when it comes to selecting a long-term hire. Dig deep to find out what candidates have to offer along the lines of team work capabilities, leadership traits, reliability and work ethic. The resume won't reveal it all!

If you can't find the right skill set, consider looking outside the box. Sometimes that could mean pulling talent from other industries and non-traditional backgrounds. New hires that come from different backgrounds can be paired up with tenured employees and fully trained to do the job. Recruit for a culture fit and train for skill.

Some situations may require alternative staffing solutions. When senior-level talent is required to implement new strategies, some organizations turn to consultants to get them on track. Temporary staff usage will be a common theme as budgets open up.

SUCCESSION AND LEADERSHIP DEVELOPMENT TOP THE AGENDA

If you don't have a succession strategy yet, launch one in 2012! Running a sustainable business means developing your talent to be prepared for attrition, planned leadership changes or the unexpected. Assess your workforce for potential leaders and develop them. Differentiate your strategic players and talk to them about their career aspirations. Succession planning is the responsibility of human resources and supervising managers; but accountability falls on the CEO and, ultimately, the Board of Directors.

Accelerated leadership paths will become commonplace as companies push their talent through the ranks to bridge the skills gap. The key here is to develop your potential leaders now to avoid succession gaps in the future.

MENTORSHIP BUILDS LEADERS

As we prepare that next generation of leaders, the best way to hand off knowledge is to engage less tenured employees through mentorships. Invite mentees to observe meetings and work alongside them with tasks they show interest in. Younger employees are eager to soak up knowledge and take on a more strategic role. Further, the best way to hand down company culture is by building these relationships.

SOCIAL MEDIA TAKES CENTER STAGE

To stand out to potential employees, organizations must return to and revitalize their social branding strategies. Social media will only become more prevalent in 2012. Job seekers are using social media now more than ever to research potential employers. Having a large number of employees, including an executive presence, on LinkedIn is appealing to candidates and offers tremendous insight into company culture. A Twitter account increases your company's brand awareness, which also appeals to job seekers. Take to Twitter to post company updates and use hash tags to help them stand out. Social networking puts thousands of industry professionals at your fingertips; take advantage of the opportunity to brand yourself!

DIVERSITY AND WOMEN'S LEADERSHIP ISSUES DEMAND ATTENTION

The glass ceiling may be broken, but equality is yet to be achieved. According to the BLS, women hold an average of only 18 percent of the highest leadership positions. For the insurance industry alone, that number is even lower. With an

increasing number of females representing the consumer market, companies will be wise to promote women in leadership. It is time for executive sponsorship of women to advance them to the C-suite and officer level. The challenge is alive for our "enlightened males," those who understand the importance of diversity and equality in leadership in the insurance industry.

Workplace diversity issues extend deeper than a lack of females at the executive table. Generation, race and culture, among other differentiators, all factor into an inclusive environment and contribute to an overall diversity of thought. Take part in industry networking groups to meet a larger demographic and hear stories of other companies' quests to diversify their organizations and the benefits they've enjoyed.

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RETENTION IS KEY

Lastly, and perhaps most importantly, retention will be key as hiring competition heats up. Survivor companies recognize their most important asset is their talent. Chances are your top performers will have access to multiple job opportunities with competitors in the coming year. A re-energized retention strategy will provide motivation to stay. Not all retention tactics have to be costly. Think outside the box for rewards to keep employees engaged, such as company-wide recognition or an extra day off. Let your valued employees know they have a place in the organization's future. If you have created a workforce development strategy, you are off to a great start!

Attitude is everything. A proactive stance will keep your company out of Survival Mode and among the thriving Survivors as we navigate the opportunities and challenges of the coming year. In order to gain an edge on competition, do not wait for a full economic turnaround to re-evaluate hiring plans. With the talent shortage looming, take advantage of marketplace changes by strengthening your talent pipeline now. If your firm can master the innovation game to create new engagement tactics and ignite your corporate brand, top talent will be drawn to your organization. Do not question whether your organization will recover, question whether it will be able to take advantage of opportunities when they arise. The time is now. As one leader cried, "Carpe diem!" And did I hear murmurs about a hard market ahead?

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